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ABSTRACT

Data from The College Board's 2000-2001 Annual Survey of Colleges delivers a positive message about the financial accessibility of an education at a public college or university. While the 4.4% increase in tuition and fees and the 5.0% increase in room and board from 1999-2000 to 2000-2001 represent a slightly higher rate of increase than the previous year's, such increases remain near their lowest point in more than a decade. In comparison to the national average, American Association of State Colleges and Universities (AASCU) institutions maintained the same rate of increase, but average tuition and fees remain below the average for all public four-year institutions ($3,190 compared to $3,510). At the master's level, the average increase nationally was 5%, while for AASCU institutions it was 4.6%. At the doctoral level, the national average increase was 4.5%, while at AASCU institutions the increase averaged a slightly higher 4.7%. The findings from this data underscore for all public four-year institutions the relationship between states' economic and fiscal conditions and its tuition rates. The past several years have been marked by economic expansion and significant budget surpluses, which have helped state colleges and universities to post only modest tuition increases. As the economy shows signs of settling, many states are becoming more conservative in their fiscal decision-making. As a result, the rate of increase for student charges has edged up slightly. Understanding this relationship, particularly in light of the fact that higher education is the largest single discretionary item in most states' budgets, is important to crafting tuition policy that can moderate the boom/bust cycle that has manifested itself over the last two decades. (EMS)

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Student Charges

AASCU SPECIAL REPORT

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AASCU SPECIAL REPORT

Overview

The general trend of modest increases in student charges at state colleges and universities has continued into a new decade. While the 4.4 percent increase in tuition and fees and the 5.0 percent increase in room and board from 1999-2000 to 2000-2001 at public four-year institutions represents a slightly higher rate of increase than the previous year's, such increases remain near their lowest point in more than a decade. This condition stems primarily from the health of the economy, which has in turn brought increased state appropriations and thus smaller tuition increases.

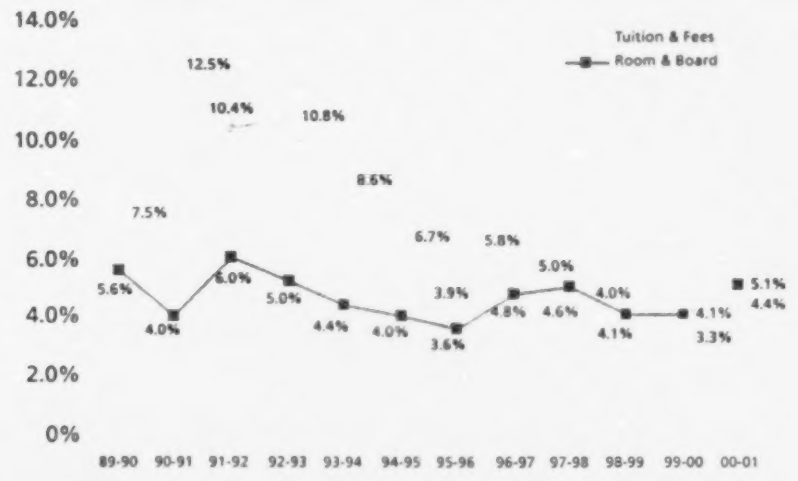
The slight acceleration in the rate of increase for student charges at public institutions owes in large part to the fact that a number of states are not enjoying the good economic times as fully as other states. These states, which have less productive economic bases, less responsive revenue systems, or a combination of the two, are relying more heavily on tuition to provide needed funding for their colleges and universities. The range of tuition activity at the state level is extremely wide in 2000–2001—from rollbacks to double-digit increases—perhaps the widest range observed in recent years.

Overall, the data from The College Board's 2000–2001 Annual Survey of Colleges delivers a positive message about the financial accessibility of an education at a public college or university. Maintaining and improving affordability and accessibility will require concerted and collaborative efforts by policymakers and higher education leaders to keep tuition as low as possible. These efforts will include a combination of adequate funding by states, aggressive cost management by institutions, and appropriately targeted financial aid expenditures by both.

"Maintaining and improving affordability and accessibility will require concerted and collaborative efforts by policymakers and higher education leaders."

Figure 1

Percentage Increases in Student Charges, Public Four-Year Institutions, 1989–90 to 2000–01



Source: *The College Board, Trends in College Pricing 2000*

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The American Association of State Colleges and Universities (AASCU) is a Washington-based higher education association of more than 400 public colleges and universities and systems across the United States and in Puerto Rico, Guam and the Virgin Islands.

Student Charges

Table 1

Selected Student Charges at Public Four-Year Institutions, Academic Years 1999-00 and 2000-01

	Number of Institutions	National 1999-00 Student Charges	National 2000-01 Student Charges	Dollar Change	Percent Change
Undergraduate					
Resident Tuition and Fees	483	$3,356	$3,510	$153	4.6%
Non-Resident Tuition and Fees	483	$9,395	$9,818	$423	4.5%
Room and Board	416	$4,729	$4,963	$234	5.0%
Graduate					
Master's					
Resident Tuition and Fees	405	$4,105	$4,308	$203	5.0%
Non-Resident Tuition and Fees	401	$10,388	$10,880	$493	4.7%
Doctoral					
Resident Tuition and Fees	202	$4,275	$4,469	$194	4.5%
Non-Resident Tuition and Fees	201	$10,928	$11,326	$398	3.6%

	Number of Institutions	AASCU 1999-00 Student Charges	AASCU 2000-01 Student Charges	Dollar Change	Percent Change
Undergraduate					
Resident Tuition and Fees	339	$3,048	$3,190	$142	4.6%
Non-Resident Tuition and Fees	339	$8,247	$8,634	$386	4.7%
Room and Board	292	$4,335	$4,335	$211	4.9%
Graduate					
Master's					
Resident Tuition and Fees	289	$3,394	$3,552	$157	4.6%
Non-Resident Tuition and Fees	285	$8,312	$8,843	$531	6.4%
Doctoral					
Resident Tuition and Fees	102	$3,580	$3,749	$169	4.7%
Non-Resident Tuition and Fees	101	$8,918	$9,355	$437	4.9%

Source: *2000-01 College Board Annual Survey of Colleges* (data extracted from Standard Research Compilation files)

Notes:
- Data in this table are based on institutions that provided tuition and fee and full-time undergraduate enrollment data to the survey in the two year period.
- Average tuition and fees are weighted by full-time undergraduate enrollment. Room and board charges are weighted by an estimated number of undergraduates in on-campus housing.
- Insufficient data were available to calculate room and board charges at the master's and doctoral level.
- Results for AASCU include student charges data for Howard University and Gallaudet University, which are member institutions but are not classified as public four-year institutions by the National Center for Education Statistics.

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Highlights

Tuition and Fees

- The rate of tuition and fees for this year increased at a slightly higher rate than last year (4.6 percent compared to 3.3 percent).[1] While slightly higher, this increase is still well below the average increases witnessed throughout much of the previous decade.

- The majority of public four-year institutions still charge less than $3,500 annually for tuition and fees.

- Slightly less than half (24) of the states and territories included in the survey raised their average tuition and fees at a rate equal to or less than the national average.

- The 4.6 percent increase in tuition and fees roughly matched the full percentage point drop in state appropriations (7.0 to 6.0 percent in 2000).[2] [see Figure 2]

Room and Board

- Room and board charges increased at an average of 5.1 percent in 2000. This is a full percentage increase over the previous two years where the rate had held steady at 4.1 percent.[3]

Trends and Indicators

While tuition and fee increases had maintained a steady decline over the last several years, this year they showed an increase. This year's 4.6 percent increase is the highest since 1996-97 when tuition and fees averaged an increase of 5.8 percent. The increase this year still remains significantly below the average increases of the early 1990s, when increases ranged from 6.7 to 12.5 percent.[4] [See Figure 1]

In comparison to the national average, AASCU institutions maintained the same rate of increase (4.6 percent). Average tuition and fees for AASCU institutions remain below the average for all public four-year institutions ($3,190 compared to $3,510).

At the graduate level, increases differed somewhat between AASCU institutions and the national level. At the master's level, the average increase nationally was 5 percent, while the average increase at AASCU institutions was 4.6 percent. Again, AASCU institutions registered average tuition and fees below the national average ($3,552 compared to $4,308). At the doctoral level the national average increase was 4.5 percent, while at AASCU institutions, the increase averaged a slightly higher 4.7 percent. Despite the difference in percentage increases, AASCU institutions had significantly lower average tuition and fees ($3,749 compared to $4, 469). [See Table 1]

"Average tuition and fees for AASCU institutions remain below the average for all public four-year institutions ($3,190 compared to $3,510)."

Nationally, slightly more than 60 percent of institutions charge tuition and fees below $3,500. These same institutions also enrolled well over half of all full-time undergraduate students (57.0 percent). At AASCU institutions, more than two-thirds (67.3 percent) still charge less than $3,500 a year for tuition and fees. These institutions enrolled almost two-thirds of all full-time undergraduate students (65.0 percent). [See Table 3]

This year, three states (Hawaii, Massachusetts and Montana) and the District of Columbia registered decreases in tuition and fees ranging from 1.8 to 17.9 percent. Another 14 states and U. S. territories posted increases at or below the Consumer Price Index (3.5) for the twelve-month period ending in September.[5] [See Table 2]

Policy Developments

State-level developments in tuition policy have focused on a handful of key issues over the past several years, including:

Freezes and Rollbacks

Policymakers in several states, interested in capitalizing on current fiscal conditions, considered or adopted freezes or rollbacks in tuition and fee rates. These states include:

- **Connecticut** (extension of current freeze)
- **Virginia** (freeze of rates rolled back last year)

Student Charges

More analysis and data on AASCU institutions is available on AASCU On Line at www.aascu.org

Table 2

Average Undergraduate Resident Tuition and Fees Charged by Public Four-Year Institutions, by State, 1999–00 and 2000–01

State	Number of Institutions	1999–2000 Tuition and Fee Charges	2000–2001 Tuition and Fee Charges	Dollar Change	Percentage Change
Alabama	11	$2,870	$3,043	$ 173	6.0%
Alaska	1	$3,202	$3,420	$ 218	6.8%
Arizona	3	$2,261	$2,346	$ 85	3.8%
Arkansas	9	$2,990	$3,246	$ 256	8.6%
California	26	$2,559	$2,583	$ 24	0.9%
Colorado	11	$2,859	$2,919	$ 60	2.1%
Connecticut	5	$4,371	$4,607	$ 236	5.4%
Delaware	2	$4,766	$4,794	$ 28	0.6%
District of Columbia	1	$2,520	$2,070	$(450)	-17.9%
Florida	11	$2,252	$2,340	$ 88	3.9%
Georgia	13	$2,663	$2,825	$ 162	6.1%
Hawaii	2	$2,957	$2,859	$(98)	-3.3%
Idaho	4	$2,337	$2,488	$ 151	6.5%
Illinois	9	$4,053	$4,251	$ 198	4.9%
Indiana	13	$3,819	$3,982	$ 163	4.3%
Iowa	2	$3,019	$3,204	$ 185	6.1%
Kansas	6	$2,516	$2,696	$ 180	7.2%
Kentucky	8	$2,769	$2,890	$ 121	4.4%
Louisiana	12	$2,426	$2,734	$ 308	12.7%
Maine	8	$4,196	$4,309	$ 113	2.7%
Maryland	9	$4,737	$4,784	$ 47	1.0%
Massachusetts	13	$4,144	$3,995	$(149)	-3.6%
Michigan	15	$4,447	$4,649	$ 202	4.5%
Minnesota	10	$3,897	$4,142	$ 245	6.3%
Mississippi	7	$2,881	$2,986	$ 105	3.6%
Missouri	11	$3,793	$3,952	$ 159	4.2%
Montana	5	$2,922	$2,869	$(53)	-1.8%
Nebraska	5	$2,960	$3,124	$ 164	5.5%
Nevada	2	$2,238	$2,414	$ 176	7.9%
New Hampshire	5	$6,116	$6,493	$ 377	6.2%
New Jersey	21	$5,420	$5,645	$ 225	4.2%
New Mexico	4	$2,389	$2,700	$ 311	13.0%
New York	31	$3,883	$3,940	$ 57	1.5%
North Carolina	15	$2,110	$2,313	$ 203	9.6%
North Dakota	6	$2,819	$2,937	$ 118	4.2%
Ohio	11	$4,551	$4,817	$ 266	5.8%
Oklahoma	11	$2,237	$2,254	$ 17	0.8%
Oregon	6	$3,571	$3,634	$ 63	1.8%
Pennsylvania	27	$5,547	$5,839	$ 292	5.3%
Rhode Island	2	$4,373	$4,570	$ 197	4.5%
South Carolina	9	$3,685	$3,737	$ 52	1.4%
South Dakota	7	$3,162	$3,376	$ 214	6.8%
Tennessee	8	$2,681	$2,933	$ 252	9.4%
Texas	26	$2,633	$3,071	$ 438	16.6%
Utah	4	$2,370	$2,471	$ 101	4.3%
Vermont	5	$6,932	$7,135	$ 203	2.9%
Virginia	15	$3,705	$3,845	$ 140	3.8%
Washington	6	$3,352	$3,467	$ 115	3.4%
West Virginia	10	$2,448	$2,624	$ 176	7.2%
Wisconsin	9	$3,272	$3,329	$ 57	1.7%
Wyoming	1	$2,456	$2,575	$ 119	4.8%
Outlying Areas					
Puerto Rico	9	$1,062	$1,076	$ 14	1.3%
Virgin Islands	1	$2,856	$2,856	$-	0.0%
U.S.	483	$3,356	$3,510	$ 154	4.6%

Source: *2000-01 College Board Annual Survey of Colleges* (data extracted from Standard Research Compilation Files)

Notes:

- Data in this table are based on institutions that provided tuition and fee and full-time undergraduate enrollment data to the survey in the two year period.
- Average tuition and fees are weighted by full-time undergraduate enrollment.

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Tuition-Setting Authority

Amid concern over rising tuition, policymakers in a number of states have opened discussions regarding the authority to set tuition and fees at public institutions. In a majority of states, the primary authority for this task is vested in a governing or coordinating board, but some lawmakers are expressing interest in a greater legislative role in this area. In its 2000 session, Rhode Island legislators considered a bill that would have stripped the Board of Higher Education of tuition-setting authority and given it to the Legislature.

Residency Classification

As students and their families become more mobile, policymakers and higher education leaders are increasingly being challenged to design residency policies that will account for this reality while maximizing enrollment and revenue. Moreover, a growing number of court challenges to resi-

"Amid concern over rising tuition, policymakers in a number of states have opened discussions regarding the authority to set tuition and fees at public institutions."

Table 3

Distribution of Tuition and Fees for Resident Undergraduates at Public Four-Year Institutions, Academic Year 1999–2000

National

Tuition/Fee Level	Number of Institutions	Percentage of Total Institutions	Number of Full-Time Resident Undergraduates	Percentage of Total Students
Less than $1,500	9	1.9%	35,581	1.1%
$1,500 to $1,999	30	6.2%	215,751	6.4%
$2,000 to $2,499	78	16.1%	516,552	15.4%
$2,500 to $2,999	76	15.7%	467,491	13.9%
$3,000 to $3,499	100	20.7%	677,436	20.2%
$3,500 to $3,999	45	9.3%	388,376	11.6%
$4,000 to $4,499	52	10.8%	442,222	13.2%
$4,500 to $4,999	31	6.4%	240,717	7.2%
$5,000 and Over	62	12.8%	370,926	11.1%
Total	**483**	**100.0%**	**3,355,052**	**100.0%**

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Tuition/Fee Level	Number of Institutions	Percentage of Total Institutions	Number of Full-Time Resident Undergraduates	Percentage of Total Students
Less than $1,500	5	1.5%	27,962	1.5%
$1,500 to $1,999	29	8.6%	215,529	11.4%
$2,000 to $2,499	65	19.2%	355,114	18.8%
$2,500 to $2,999	59	17.4%	305,862	16.2%
$3,000 to $3,499	70	20.6%	323,983	17.2%
$3,500 to $3,999	28	8.3%	166,621	8.8%
$4,000 to $4,499	42	12.4%	286,804	15.2%
$4,500 to $4,999	19	5.6%	117,982	6.2%
$5,000 and Over	22	6.5%	88,931	4.7%
Total	**339**	**100.0%**	**1,888,788**	**100.0%**

Source: *2000-01 College Board Annual Survey of Colleges* (data extracted from Standard Research Compilation files)

Notes:

- Data in this table are based on institutions that provided tuition and fee and full-time undergraduate enrollment data to the survey in the two year period.
- Totals may not sum to 100 percent due to rounding. Results include student charges data for Howard University and Gallaudet University.

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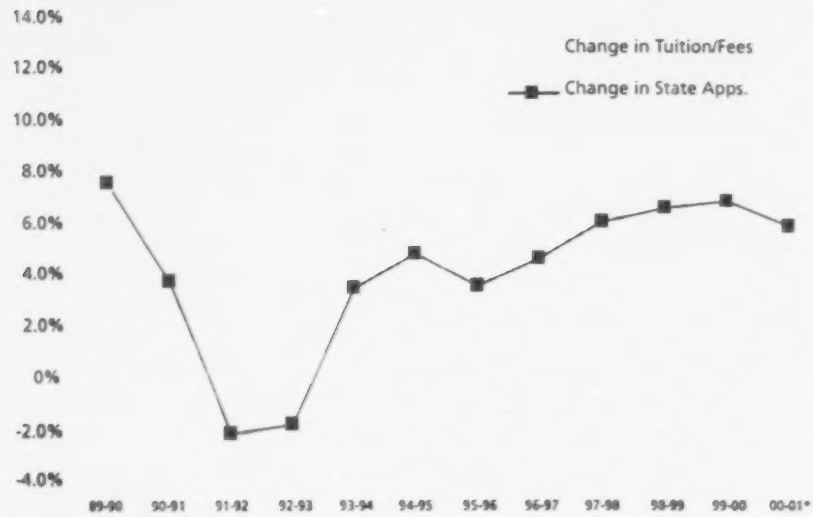
Figure 2

Percentage Changes in Tuition/Fees and State Appropriations, Public Colleges and Universities, 1989–90 to 2000–2001



*State appropriations increase for 2000–2001 represents AASCU estimate.

Source: The College Board; *Grapevine* (Illinois State University).

dency policies is likely to accelerate reconsideration and revision of these policies in many states. States taking up tuition residency requirements in 2000 included:

- **Alabama** (linkage of non-resident rate to cost of instruction)
- **California** (residency status for legal aliens)
- **Iowa** (treatment of non-residents from states with tuition reciprocity agreements)
- **New York** (extension of residency to non-resident students with resident non-custodial parents)
- **South Carolina** (extension of residency status to dependents of non-residents paying state income or property taxes)
- **Tennessee** (extension of residency status to students living in non-resident border areas)

"As the economy shows signs of settling . . . the rate of increase for student charges has edged up slightly."

Student Fees

While policymakers have focused primarily on tuition rates and policies in recent years, issues related to the setting and use of student fees are garnering an increasing amount of attention in statehouses and courthouses. States wrestling with fee-related issues in 2000 included:

- **Colorado** (prohibition of student fee funding for organizations that engage in political activity or issue advocacy)
- **Florida** (definition of "consultation" for setting of student fees)
- **New Jersey** (prohibition of "check-offs" for the payment of student fees)
- **New York** (imposition of cap on student fees, based on percentage of tuition rate)

Conclusion

The findings from The College Board's 2000–2001 data underscore for all public four-year institutions (and for AASCU institutions in particular) the relationship between states' economic and fiscal conditions and its tuition rates. The past several years have been marked by an unprec-

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edented economic expansion and significant budget surpluses, which have helped state colleges and universities to post modest tuition increases. As the economy shows signs of settling and many states become more conservative in their fiscal decision-making, the rate of increase for student charges has edged up slightly. Understanding this relationship, particularly in light of the fact that higher education is the largest single discretionary item in most states' budgets, is important to crafting tuition policy that can moderate the boom/bust cycle that has manifested itself over the last two decades.

Looking ahead, several challenges present themselves to policymakers and higher education leaders in this area. One will be for presidents and chancellors to work with policymakers to develop tuition policy that accounts for emerging realities such as increasing mobility, shifting attendance patterns, and changing political/judicial thinking relative to fees as a form of speech. A second and equally daunting challenge will be to address the trend of decreasing dependence on the state as an institutional funding source and the concomitant rise of students and their families as a revenue source. The ability of states to understand this trend and its consequences will become increasingly important as AASCU institutions strive to preserve access to higher education opportunity.

Endnotes

[1] *The College Board 2000-01 Annual Survey of Colleges* (Standard Research Compilation Files). AASCU calculations note a 4.6 percent increase in tuition and fees whereas the College Board notes a 4.4 percent increase. This difference is the result of slight methodological differences.

[2] The College Board, *Trends in College Pricing 2000*. The state appropriation for 2000-01 represents an AASCU estimate.

[3] Ibid.

[4] Ibid.

[5] Bureau of Labor Statistics and *The College Board 2000-01 Annual Survey of Colleges* (Standard Research Compilation Files).

[6] The College Board *2000-01 Annual Survey of Colleges* (Standard Research Compilation Files). The 6.0 percent change in state appropriations is based on an AASCU estimate.

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